



Entered on Docket
November 15, 2006

Hon. Linda B. Riegle
United States Bankruptcy Judge

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UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA

20 In re:
21 USA COMMERCIAL MORTGAGE COMPANY,
22 Debtor.

Case Nos. BK-S-06-10725 LBR
Case Nos. BK-S-06-10726 LBR
Case Nos. BK-S-06-10727 LBR
Case Nos. BK-S-06-10728 LBR
Case Nos. BK-S-06-10729 LBR

20 In re:
21 USA CAPITAL REALTY ADVISORS, LLC,
22 Debtor.

Chapter 11

20 In re:
21 USA CAPITAL DIVERSIFIED TRUST DEED FUND,
22 LLC,
23 Debtor.

Jointly Administered Under
Case No. BK-S-06-10725 LBR

20 In re:
21 USA CAPITAL FIRST TRUST DEED FUND, LLC,
22 Debtor.

**ORDER GRANTING MOTION TO
AUTHORIZE DEBTOR USA
COMMERCIAL MORTGAGE COMPANY
AS LOAN SERVICER TO APPROVE
LOAN MODIFICATION FOR PALM
HARBOR ONE LOAN AND TO PROVIDE
THE PREVIOUSLY AUTHORIZED
SUBORDINATION OF THE MARLTON
SQUARE 2ND LOAN**
[AFFECTS DEBTORS USA
COMMERCIAL MORTGAGE COMPANY
AND USA CAPITAL FIRST TRUST DEED
FUND, LLC]

20 In re:
21 USA SECURITIES, LLC,
22 Debtor.

Affects:

- All Debtors
- USA Commercial Mortgage Company
- USA Securities, LLC
- USA Capital Realty Advisors, LLC
- USA Capital Diversified Trust Deed Fund, LLC
- USA Capital First Trust Deed Fund, LLC

Date: October 30, 2006
Time: 9:30 a.m.

1 Before the Court is the “Motion To Authorize Debtor USA Commercial Mortgage
 2 Company as Loan Servicer to Approve Loan Modification for Palm Harbor One Loan, to Provide
 3 the Previously Authorized Subordination of the Marlton Square 2nd Loan in Connection with the
 4 Payoff of the Marlton Square 1st Loan, to Authorize a Short-Term Forbearance for the Marlton
 5 Square 1st Loan, and to Generally Authorize Short-Term Loan Forbearances and Full Releases and
 6 Reconveyances for Loans Paid Off in Full” (the “Motion”) filed by Debtor in Possession USA
 7 COMMERCIAL MORTGAGE COMPANY (“USACM”) on October 4, 2006, Docket No. 1434.

8 The Certificate of Mailing (Docket No. 1531), certifies that the Motion (Docket No. 1434),
 9 the Declaration of Thomas J. Allison (Docket No. 1435), and the Notice of Hearing (Docket No.
 10 1448) were served on October 5, 2006, to the 984 parties listed in the Certificate of Mailing,
 11 which included the 309 Direct Lenders for the Palm Harbor One Loan, the 272 Direct Lenders for
 12 the Marlton Square 1st Loan, and the 108 Direct Lenders for the Marlton Square 2nd Loan.

13 The Official Committee of Equity Security Holders of USA Capital First Trust Deed Fund,
 14 LLC (the “FTDF Committee”) filed its Limited Objection to the Motion (Docket No. 1629). The
 15 MacDonald Center for the Arts and Humanities (the “MacDonald Center”) filed its Conditional
 16 Objection to the Motion (Docket No. 1632), which addresses only the Marlton Square 1st Loan
 17 portion of the Motion, which was continued to November 13, 2006. The Official Committee of
 18 Unsecured Creditors of USA Commercial Mortgage Company (the “UCC Committee”) filed its
 19 Response to the Motion (Docket No. 1649). The Official Committee of Holders of Executory
 20 Contract Rights Through USA Commercial Mortgage Company (the “Direct Lenders
 21 Committee”) filed its Opposition to the Motion (Docket No. 1653). The Canepa Group
 22 (“Canepa”) filed its Joinder (Docket No. 1658) in the Opposition filed by the Direct Lenders
 23 Committee. USACM filed the Declaration of Thomas J. Allison on October 4, 2006, as Docket
 24 No. 1435, and a Reply in Support of the Motion on October 27, 2006, as Docket No. 1692. At the
 25 hearing held on October 30, 2006, appearances were made upon the record, testimony and other
 26 evidence were presented and arguments were made concerning the Motion.

27 The Court having considered the various Declarations of Thomas J. Allison in support of
 28 the Motion, the arguments set forth in the Motion and in the Reply, the evidence presented,

1 representations made, and arguments made at the October 30, 2006 hearing, and other facts of
 2 record in the Debtors' bankruptcy cases, and finding that notice of the Motion was adequate and
 3 proper, it is hereby

4 **ORDERED** that USACM is authorized to take such actions as authorized by, and in
 5 accordance with, the existing Loan Service Agreements, and such actions may include, but are not
 6 limited to:

7 (1) modify the Palm Harbor One Loan (the "Loan Modification") on behalf of Direct
 8 Lenders to reduce the minimum sales prices (and corresponding partial release prices) for
 9 the condominium units for the Palm Harbor One Project by 20%;
 10 (2) execute the necessary documentation to put into effect the previously authorized
 11 subordination (the "Subordination") of the Marlton Square 2nd Loan to a new development
 12 or construction loan for the Marlton Square Project, which is located in Los Angeles,
 13 California, if the conditions outlined in the Marlton Square 2nd Loan Agreement and in the
 14 Motion for providing the Subordination are satisfied;
 15 (3) execution of all documents and take all other necessary steps required to implement
 16 the Palm Harbor One Loan Modification and the Marlton Square 2nd Loan Subordination outlined
 17 above; and
 18 (4) granting such short-term forbearances of up to 90 days as is consistent with the
 19 terms of the Loan Service Agreements.

20 **ORDERED** that the automatic 10 day stay under Bankruptcy Rule 6004(g) shall not apply
 21 to this Order, and this Order shall be effective immediately upon entry of this Order.

22 Submitted by:
 23 RAY QUINNEY & NEBEKER P.C. and
 24 SCHWARTZER & MCPHERSON LAW FIRM

Approved / Disapproved by:
 25 SARA L. KISTLER
 26 ACTING UNITED STATES TRUSTEE
 27 REGION 17

28 By: _____
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 30 *Attorneys for Debtor and Debtor-In-Possession*

By: _____
 31 AUGUST B. LANDIS, ASST. U.S. TRUSTEE
 32 United States Department of Justice

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